

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

**RECEIVED**

**MAR 15 2001**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**BOOKET FILE COPY ORIGINAL**

In the Matter of )

AMERITECH CORP., )  
Transferor, )

AND )

SBC COMMUNICATIONS INC., )  
Transferee, )

Proposed Change to SBC's )  
Performance Measurements )

CC Docket No. 98-141

ASD File No. 01-17

---

**REPLY COMMENTS OF  
SBC COMMUNICATIONS INC.**

---

CHRISTOPHER M. HEIMANN  
ROGER K. TOPPINS  
PAUL K. MANCINI

SBC COMMUNICATIONS INC  
1401 Eye Street, NW  
Suite 1100  
Washington, D.C. 20005  
(202) 326-8909 – phone  
(202) 408-8745 – facsimile

Its Attorneys

March 15, 2001

014  
014  
014

## TABLE OF CONTENTS

	Page
I. The Commission Should Not Establish New or Modify Other Performance Measures by Diaggregating CIA Centrex as McLeod Proposes .....	2
II. McLeod's Other Proposed Changes to SBC's Carrier-to-Carrier Performance Plan are Unnecessary and Inappropriate .....	5
III. Changes to PM 6a to Conform to Version 1.7 of the Texas Business Rules Already Have Been Approved .....	9
IV. Conclusion .....	10

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
AMERITECH CORP.,	)	
Transferor,	)	
	)	
AND	)	CC Docket No. 98-141
	)	
SBC COMMUNICATIONS INC.,	)	ASD File No. 01-17
Transferee,	)	
	)	
Proposed Change to SBC's	)	
Performance Measurements	)	

**REPLY COMMENTS OF  
SBC COMMUNICATIONS INC.**

In its January 2, 2001, letter proposing modifications to Performance Measurement ("PM") 6a (Mean Installation Interval – POTS),<sup>1</sup> and its Comments,<sup>2</sup> SBC demonstrated that that PM should be modified by disaggregating the overall Business POTS category and establishing a separate measurement for CIA Centrex service, which is offered only in Ameritech states, for purposes of measuring SBC's installation performance. Specifically, SBC showed that this change is necessary and appropriate to reflect more accurately SBC's performance in provisioning Business POTS (resale) services in general, and CIA Centrex services in particular. Absent this change, every CIA Centrex installation would count as a miss because of the difference in installation intervals for CIA Centrex and Business POTS services, artificially and improperly inflating the number of missed installation due dates and, consequently, SBC's performance measurements payments.

---

<sup>1</sup> January 2, 2001, Letter of Sandra Wagner to Carol Matthey, Deputy Chief, Common Carrier Bureau (PM Modification Request).

<sup>2</sup> Comments of SBC Communications Inc., filed March 8, 2001 (SBC Comments).

Only one party, McLeodUSA Telecommunications Services, Inc. ("McLeod") commented on SBC's proposal, and it agreed that PM 6a should be modified to disaggregate CIA Centrex services from Business POTS services, as SBC proposed. However, McLeod also asked the Commission to modify SBC's proposal by disaggregating CIA Centrex from other services for three other performance measures (specifically, for Percent of Firm Order Confirmations (FOCs) Returned Within "X" Hours, Average Time to Return FOC, and Percent Installations Completed Within "X" Business Days). In addition, McLeod requested that the Commission establish different benchmark intervals for CIA Centrex from those proposed by SBC, which were agreed to specifically by McLeod and other interested CLECs in collaboratives and proceedings at the state level. SBC believes that these modifications to SBC's proposal are unnecessary and inappropriate, or premature.

Finally, McLeod urges the Commission not to approve without further explanation certain other changes to PM 6a proposed by SBC. One of these changes is necessary to conform that PM to Commission orders, and thus already has been approved by the Commission. The other changes were submitted in error, and are hereby withdrawn.

**I. The Commission Should Not Establish New or Modify Other Performance Measures by Disaggregating CIA Centrex as McLeod Proposes**

While McLeod agrees that CIA Centrex should be disaggregated from Business POTS for purposes of calculating mean installation intervals for POTS pursuant to FCC performance measure 6a, it urges the Commission to add to the FCC 20 performance measurements certain performance requirements that include disaggregation of CIA Centrex, which have been agreed to in several Ameritech states. Specifically, McLeod asks the Commission to disaggregate CIA

Centrex for the following performance measurements, in addition to FCC PM 6a (Mean Installation – POTS):

- (1) Percent Firm Order Confirmations (FOCs) Returned Within “X” Hours (Illinois PM 5, which corresponds to FCC PM 1);
- (2) Average Time to Return FOC (Illinois PM 6, for which there is no corresponding FCC measurement); and
- (3) Percent Installations Completed Within “X” Business Days (Illinois PM 28, which loosely corresponds with FCC PM 6c, except that FCC PM 6c applies only to UNEs).

McLeod asserts that these additions to the FCC 20 performance measurements are necessary to “more effectively ensure nondiscriminatory provisioning of CIA Centrex service.”<sup>3</sup>

The foregoing additional PM changes proposed by McLeod are not necessary to ensure nondiscriminatory provisioning of CIA Centrex service as McLeod claims. CIA Centrex is offered only in Ameritech states, and is subject to specific, self-executing performance requirements at the state level. Indeed, each of the additional performance measurements proposed by McLeod already applies to SBC’s provision of CIA Centrex wherever that service is offered. Because SBC already has strong incentives to comply with those state requirements, imposition of the additional, disaggregated performance requirements proposed by McLeod is unnecessary to “ensure nondiscriminatory provisioning” of CIA Centrex service.

As the Commission itself has recognized, the Carrier-to-Carrier performance plan “is not intended ‘to cover each and every facet of local competition,’” nor is it meant to “affect, supplant, or supersede any existing or future state performance plan.”<sup>4</sup> Rather, it is “designed to cover the ‘range of activities that have the most direct and immediate impact on [competitive

---

<sup>3</sup> McLeod Comments at 6.

<sup>4</sup> *SBC/Ameritech Merger Order*, at para. 379-80.

LECs] and their customers.’”<sup>5</sup> The FCC 20 performance requirements therefore were not intended to incorporate each and every performance measurement adopted at the state level (especially those applicable only to services offered only in limited areas), but rather were intended to encompass activities affecting competition across SBC’s regions. Importing into the FCC 20 performance measurements the other state-specific PMs applicable to CIA Centrex identified by McLeod therefore would be inappropriate.

Imposition of the additional, disaggregated performance measurements proposed by McLeod also is not necessary to ensure accurate reporting of performance data for the FCC 20 performance measurements. As McLeod observes, FCC PM 1 (Percent Firm Order Confirmations Returned Within “X” Hours) already corresponds closely to Illinois PM 5. In addition, operationally, the procedures and systems used to return firm order confirmations for CIA Centrex and other resold complex business services are the same. Moreover, the benchmark for “Percent Firm Order Confirmations Returned Within ‘X’ Hours” applicable to CIA Centrex at the state level is the same as that applicable to complex business services (which includes CIA Centrex for reporting purposes) at the federal level. Disaggregation of FCC PM 1 to establish a separate category for CIA Centrex thus is superfluous.

Likewise, imposition of the other two disaggregated performance measurements proposed by McLeod (Average Time to Return FOC and Percent Installation Completed Within “X” Business Days) is unnecessary to ensure accurate reporting of performance data. As McLeod acknowledges, the FCC 20 performance measures do not include a PM comparable to Illinois PM 6 (Average Time to Return FOC). And FCC PM 6c (Percent Installations Completed Within “X” Business Days) currently applies only to unbundled network elements. Modification or imposition of these two, disaggregated performance measurements proposed by McLeod

---

<sup>5</sup> *Id.* at para. 380.

therefore is not necessary or appropriate to ensure that SBC accurately reports performance data at the federal level.<sup>6</sup>

In contrast, as McLeod itself acknowledges, failure to modify FCC PM 6a to disaggregate CIA Centrex from Business POTS would result in inaccurate and misleading performance reports for both resold services generally and CIA Centrex services in particular. Consequently, SBC appropriately proposed to modify the FCC 20 by disaggregating CIA Centrex only with respect to PM 6a, and believes that no other changes to the FCC 20 performance measures to disaggregate CIA Centrex are necessary.

## **II. McLeod's Other Proposed Changes to SBC's Carrier-to-Carrier Performance Plan are Unnecessary and Inappropriate**

In addition to asking the Commission to impose the foregoing additional performance measures, McLeod asks the Commission to specify that the disaggregated measurements applicable to CIA Centrex constitute disaggregated sub-measurements to which the treble payment provision for certain low volume resold services in paragraph 10 of the Carrier-to-Carrier Performance Plan applies.<sup>7</sup> However, while the proposed disaggregated measurements for CIA Centrex would constitute sub-measurements, they would not be "qualifying sub-measurements" subject to the treble payment provision. That provision requires treble payment only for sub-measurements involving "UNE combinations, resold ISDN, ISDN UNE loop and

---

<sup>6</sup> SBC notes further that the "Average Time to Return FOC" measurement proposed by McLeod simply provides a different way of examining the same performance data returned in FCC PM 1 (Percent Firm Order Confirmations Returned Within "X" Hours). The latter PM measures the percentage of FOCs for particular services returned within 5 hours, while the former measures the average time to return a FOC for such services. The latter PM thus is largely superfluous. Moreover, the "Average Time to Return FOC" performance measure at the state level has no remedy attached to it, and thus is largely diagnostic. Consequently, adoption of this measure at the federal level is unnecessary.

<sup>7</sup> McLeod Comments at 6.

port, BRI loop with test access (*i.e.*, ISDN), and DSL loops.”<sup>8</sup> Because CIA Centrex does not fall within any of the foregoing categories of service, McLeod’s request would require a re-write of the Plan and the Merger Conditions, and thus should be denied.

McLeod also asks the Commission to reject SBC’s proposed four business day benchmark for non-field work installations, which McLeod agreed to at the state level and which was adopted by state commissions, and, instead, to adopt an interim three business day benchmark. McLeod asserts that “a shorter interval, such as three business days, *may* be more appropriate for these installations.”<sup>9</sup> However, McLeod offers no evidence or other justification to support its proposal. In contrast, SBC’s proposed four-day interval is supported by McLeod’s agreement to that interval at the state level, and by the states’ approval of that benchmark. It therefore is incumbent on McLeod to demonstrate that a different interval is appropriate here. Having failed to do so, the Commission should adopt SBC’s proposed four business day benchmark for non-field work installations.<sup>10</sup>

McLeod next argues that the Commission should adopt a benchmark interval of four business days for field work installations under FCC performance measure 6a. McLeod asserts that the reason for disaggregating CIA Centrex is that it requires central office work that normally is not required for a resale order, and therefore a parity standard is inappropriate.

---

<sup>8</sup> *SBC/Ameritech Merger Order*, Appendix C, Attachment A, para. 10.

<sup>9</sup> McLeod Comments at 7 (emphasis added).

<sup>10</sup> McLeod makes much of the fact that it only agreed to a four-day interval at the state level on the condition that it be an interim interval that the parties can renegotiate. McLeod Comments at 7. However, McLeod has the opportunity to obtain a change to the four-day interval if necessary or appropriate. Specifically, to the extent McLeod believes that a change in the benchmark installation interval is necessary, it can raise that issue during the collaborative review of SBC’s performance plan in Texas in April. Consistent with the Merger Conditions, SBC promptly will notify the Commission of any changes, additions or deletions to the Texas plan.

McLeod goes on to claim that “[i]t does not stand to reason that a parity standard would become applicable simply because an installation also requires field work.”<sup>11</sup>

Paragraph 6 of SBC’s Carrier-to-Carrier Performance Plan provides that, where SBC provides CLECs a service that has a retail analog, “the performance SBC/Ameritech provides to its own retail operations within a state shall be compared with the performance SBC/Ameritech provides to the CLEC within the state to determine if parity exists.”<sup>12</sup> In contrast, “[w]here SBC/Ameritech provides a service for which there is no retail analog, the performance SBC/Ameritech provides to the CLEC within a state shall be compared with a benchmark.”<sup>13</sup>

SBC does not provide a retail service that is analogous to non-field work CIA Centrex installations (the process for provisioning CIA Centrex non-field work orders differs materially from the process used to complete other non-field work business orders, as McLeod itself acknowledges). Consequently, as required by paragraph 6 of the Carrier-to-Carrier Performance Plan, SBC proposed a performance benchmark for non-field work CIA Centrex orders, a benchmark that was agreed to by McLeod (the only CLEC currently reselling the service) and approved by state commissions. However, field-work CIA Centrex installations are analogous to retail centrex services – both types of installations entail essentially the same central office and field work. The Carrier-to-Carrier Performance Plan therefore requires SBC to establish a parity standard for CIA Centrex field work installations, as SBC proposed.

Adopting McLeod’s proposed changes to SBC’s proposal would be inappropriate for another reason as well. The Merger Conditions establish a specific and detailed process for

---

<sup>11</sup> McLeod Comments at 8.

<sup>12</sup> *SBC/Ameritech Merger Order*, Appendix C, Attachment A, para. 6.

<sup>13</sup> *Id.*

modifying the 20 performance measurements in SBC's Carrier-to-Carrier Performance Plan. In particular, that plan provides that "SBC/Ameritech and the Chief of the Common Carrier Bureau shall *jointly* review the 20 measurements on a semi-annual basis, to determine whether measurements should be added, deleted or modified."<sup>14</sup> The plan further provides that changes to the design or calculation of the 20 measurements adopted by the Texas or California state commissions shall be incorporated by SBC into the plan for those states, unless directed not to by the Chief of the Common Carrier Bureau within five days of receiving notice by SBC of such changes.<sup>15</sup> Finally, the plan provides that, during the next semi-annual review, the Bureau Chief is to decide whether and when SBC should implement changes adopted by the California commission in Nevada, and whether and when SBC should implement changes adopted by the Texas PUC in the other SBC/Ameritech states except for California and Nevada. The Merger Conditions thus provide that, except in limited circumstances (*i.e.*, where changes have been adopted by the Texas and California commissions following collaborative proceedings in those states), any decision to modify the FCC 20 performance measurements, including disaggregated sub-measurements, is to be made jointly by SBC and the Commission as part of the six month review process. Adoption of McLeod's proposed changes at the end of the current six month review process and without SBC's concurrence, especially when SBC has not had an opportunity to discuss the proposed changes with the Commission (or, for that matter, McLeod), would be wholly inappropriate and contrary to the processes established by the Merger Conditions.<sup>16</sup>

---

<sup>14</sup> *Id.* at para. 4 (emphasis added).

<sup>15</sup> *Id.*

<sup>16</sup> This is especially true regarding the two Illinois disaggregations – Average Time to Return FOC and Percent Installations Completed Within "X" Business Days – that McLeod admits have no comparable measure . . . at the federal level." McLeod Comments at 5-6. McLeod requests this Commission to order that the federal performance measures be disaggregated "in the same manner" as these Illinois

To the extent McLeod believes that adoption in the federal Carrier-to-Carrier Performance Plan of the disaggregated performance measures proposed by McLeod is appropriate, McLeod could propose to SBC or the Commission that they consider such changes to the Plan as part of the next six-month review. At that time, the Commission and SBC can “jointly review the 20 measurements . . . to determine whether measurements should be added, deleted, or modified.”<sup>17</sup> In the meantime, the Commission promptly should grant SBC’s request to disaggregate CIA Centrex services from other Business POTS for FCC performance measure 6a. Both SBC and McLeod, the only other party to comment on SBC’s proposal, agree that this change is necessary to ensure that SBC’s reports accurately reflect its performance in provisioning CIA Centrex and other resold services. The Commission therefore should approve SBC’s proposal without modification or delay.

### **III. Changes to PM 6a to Conform to Version 1.7 of the Texas Business Rules Already Have Been Approved**

Finally, McLeod objects to certain other changes to PM 6a proposed by SBC, including: (1) excluding “Orders where CLECs are charged expedite charges;” (2) changing the exclusion for field work orders; (3) substituting “closed” for “completion” in the business rules; and (4) modifying the Levels of Disaggregation (in addition to the proposed CIA Centrex disaggregation).<sup>18</sup> The first change, excluding “Orders where CLECs are charged expedite

---

disaggregations, yet makes no suggestion as to how the FCC measures are to be disaggregated to accomplish that objective. Indeed, McLeod does not suggest *which* federal measures the Commission is supposed to disaggregate. It would be inappropriate for the Commission to order disaggregation when McLeod offers no specific proposal for the Commission to evaluate, or to which SBC can respond.

<sup>17</sup> *SBC/Ameritech Merger Order*, Appendix C, Attachment A, para. 4.

<sup>18</sup> McLeod Comments at 10, note 15.

charges,” is intended to conform PM 6a to version 1.7 of the Texas business rules,<sup>19</sup> as required by the Commission.<sup>20</sup> Because this change was mandated by the Commission, and therefore already effectively has been approved, no further Commission action is required. The other changes to PM 6a to which McLeod objects were submitted in error, and are hereby withdrawn.

#### **IV. Conclusion**

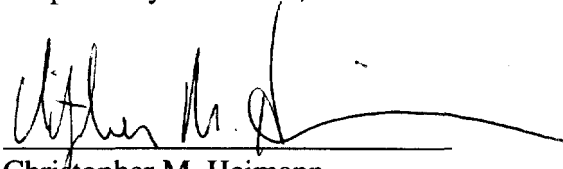
For the foregoing reasons, SBC urges the Commission to modify Performance Measurement 6a (Mean Installation Interval – POTS) by disaggregating the overall Business POTS category and establishing a separate measurement for CIA Centrex service, as SBC proposed. The Commission should not, however, adopt McLeod’s proposal for additional changes to the Carrier-to-Carrier Performance Plan, at least not at this time. To the extent McLeod believes such additional changes are necessary, it can suggest to the Commission or SBC that SBC and the Commission jointly review whether such changes are appropriate as part of the next six-month review. In the meantime, the Commission should not delay action on SBC’s request, approval of which both SBC and McLeod agree is necessary and appropriate to reflect more accurately SBC’s performance in provisioning Business POTS (resale) services in general, and CIA Centrex services in particular.

---

<sup>19</sup> Version 1.7 of the Texas business rules provides that the measurement for mean installation interval shall “Exclude[] expedites for which the CLEC pays.” Texas Business Rules, Version 1.7, Measurement 27.

<sup>20</sup> November 8, 2000, Letter of Kenneth P. Moran, Chief, Accounting Safeguards Division, to Cassandra Carr, Senior Executive Vice President – External Affairs, SBC Communications Inc. (ordering SBC to implement version 1.7 of the Texas Business Rules); and January 23, 2001, Letter of Kenneth P. Moran, Chief, Accounting Safeguards Division, to Sandra Wagner, Vice President, Federal Regulatory, SBC Telecommunications, Inc. (ordering SBC to use those business rules for reporting data for the Ameritech region beginning with March 2001 data).

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Christopher M. Heimann", is written over a horizontal line.

Christopher M. Heimann  
Roger K. Toppins  
Paul K. Mancini

Its Attorneys

SBC Communications Inc.  
1401 Eye Street, N.W.  
Suite 1100  
Washington, D.C. 20005  
202-326-8909 – phone  
202-408-8745 - facsimile

March 15, 2001

CERTIFICATE OF SERVICE

I, Anisa A. Latif, do hereby certify that a copy of the **Reply of SBC Communications Inc** has been served on the party below via first class mail – postage prepaid on this 15<sup>th</sup> day of March 2001.

By: Anisa A. Latif  
Anisa A. Latif

Patrick J. Donovan  
Anthony M. Black  
Swidler Berlin Shereff Friedman LLP  
Counsel for MCLeodUSA Telecommunications Services, Inc.  
3000 K Street, NW  
Suite 300  
Washington, D.C. 20007